



Setting Standards of Excellence in Public Service

MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS
Wednesday, October 18, 2017 – 6 p.m.
7811 University Avenue, La Mesa, CA 91942-0427

1. President Scalzitti called the regular board meeting to order at 6 p.m. The roll call showed a quorum of the board present: Directors Scalzitti, Hedberg, McMillan, Verbeke and Gracyk.

Staff present: Lugo, Tomasulo, Miller, Bryant, Janzen, Schipper, Ross, Annett, Uhrhammer and Masterson. General Counsel Elizabeth W. Hull was also present.

Others present: Customer Thom Rosenberger, San Diego Union-Tribune Reporter Karen Pearlman and Partner Phil White of Vavrinek, Trine, Day & Co., LLP.

2. Director Verbeke gave the invocation and led the Pledge of Allegiance.
3. General Manager Carlos V. Lugo reported there were no additions or deletions to the agenda. The motion carried unanimously.

Motion: Gracyk
Second: Verbeke

4. President Scalzitti provided opportunity for members of the public to address the board on any item under the subject matter jurisdiction of the district. There were no members of the public to be heard.

5. The consent agenda was approved unanimously.

Motion: Verbeke
Second: Gracyk

- a) Memorandum dated October 18, 2017, from the board secretary submitting expense and per diem claims was approved.

- b) The board approved the minutes of the regular board meeting of October 4, 2017, the Engineering and Operations Committee meeting of October 11, 2017 and the special board meeting of October 11, 2017.
- c) The following operating account checks submitted for ratification were approved:
 - i. List dated October 4, 2017
 - ii. List dated October 10, 2017
- d) The board adopted the following attendance consideration:
 - i. CALAFCO Annual Conference
LAFCO 101 Session
October 25, 2017 10 a.m. to Noon
Bahia Resort in Mission Bay
Requested by Director Gracyk

PRESENTATION

- 6. The board received the audited annual financial statements and independent auditor's clean report for fiscal year ended June 30, 2017, with comparative information for 2016. There were no public comments. Finance and Administration Committee Chair Verbeke introduced Partner Phil White of the district's audit firm, Vavrinek, Trine, Day & Co., LLP. Mr. White reviewed four deliverables: Independent Auditor's Report on Control over Financial Reporting and on Compliance and other Matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, the Annual Financial Statements for Fiscal Year Ended June 30, 2017 (with Comparative Information for 2016), the Independent Auditor's Report including the management discussion and analysis, and Notes to the Basic Financial Statements. Mr. White noted there were no disagreements or difficulties with management and provided a clean audit opinion. Mr. White also directed the board to Note 9 on page 31 regarding the pension disclosure based on significant estimates. Finance and Administration Committee Vice Chair McMillan expressed he was pleased with the audit, the audit company, the tables and deliverables.

ACTION ITEMS

- 7. The board adopted Resolution 17-64 declaring construction complete and authorized filing a notice of completion for pipeline replacement project Boulevard Place, El Cajon Boulevard, Wilson Avenue, Cypress Avenue, Magnolia Avenue, Oro Street, Work Order 3615.1. There were no public comments. The motion carried unanimously.

Motion: Verbeke
Second: Gracyk

Engineering Manager Timothy J. Ross provided a PowerPoint presentation and addressed all questions related to project costs and inspections.

8. The board authorized General Manager Carlos V. Lugo to execute a professional services agreement between Helix Water District and Infrastructure Engineering Corp. for engineering design services for pipeline project Acacia Avenue, Orange Avenue, Fairview Avenue, Pasadena Avenue, Upland Street, Tulare Street and Shirley Drive, Work Order 4624, in the amount of \$108,081; and appropriated funds in the amount of \$35,000 from schedule 64, item 5, of the fiscal year 2017-18 capital budget to complete the design of the project. There were no public comments. The motion carried unanimously.

Motion: Hedberg
Second: Verbeke

Engineering Manager Milica K. Schipper provided a PowerPoint presentation and addressed all questions regarding the scale of the project, workload, staffing and the consultant's experience with the district.

9. The board authorized staff to call for bids and set Tuesday, November 28, 2017, at 2 p.m. as the date and time of the bid opening for pipeline project Jamacha Road, Vista Del Valle Boulevard and flume right of way, Work Order 4459; determined the project was exempt under the California Environmental Quality Act; and approved the project. There were no public comments. The motion carried unanimously.

Motion: Verbeke
Second: Hedberg

Director of Engineering James A. Tomasulo provided a PowerPoint presentation and answered all questions regarding easement maintenance.

REPORTS

10. The board received the following reports for the month of September 2017 and the quarterly reports:
 - a) Quarterly Deferred Compensation report
 - b) Treasurer's report
 - c) Budget Summary

- d) Claims report
- e) Quarterly Lake Jennings Financial report
- f) Rainfall, Use and Storage report
- g) System Demand report
- h) Monthly Demand report
- i) Conservation Status report
- j) State Water Resources Control Board report
- k) Quarterly Capital Improvement Program report

Director Gracyk requested staff provide an overview of the budget summary. Director of Administrative Services Jennifer C. Bryant detailed the report. Vice Chair Hedberg confirmed the claims report was a new simplified format. Director Verbeke reported the quarterly capital improvement program report was impressive given the number of projects.

INFORMATION

11. The board received the District Transparency Certificate of Excellence from the Special District Leadership Foundation in recognition of the district's outstanding efforts to promote transparency and good governance. Photographs were taken of the board of directors with the certificate.
12. The board received an update regarding public outreach for the Scripps Institute of Oceanography tracer study to be conducted at Lake Jennings on October 30 through November 16, 2017. Senior Public Affairs Representative Michael J. Uhrhammer answered all questions regarding Lake Jennings website, the district website, newspaper articles and notifications regarding the study. Vice President Hedberg asked specific technical questions regarding the tracer study to be answered at a later date.

DISCUSSION

13. President Scalzitti reported details regarding the October 10, 2017 Metropolitan Water District meeting including a 62 percent favorable vote for the Delta Water Fix. Questions remain regarding the potential project.

Board Secretary Sandra L. Janzen reported that the district received a compliment regarding Customer Service Representative II Deborah A. Copher.

14. Directors McMillan, Verbeke and Gracyk provided written reports. Vice President Hedberg reported attending the diverting dam tour on October 13, 2017 and that she will provide a presentation to the La Mesa Historical Society on October 19, 2017. Director Gracyk reported participating in a tour of the diverting dam and Lake Cuyamaca on October 9, 2017. Director McMillan reported attending the East County Economic

Development Council meeting on October 18, 2017, and mentioned an interest in stewardship grants for local projects. Directors McMillan and Gracyk also reported attending the Council of Water Utilities meeting on October 17, 2017 and appreciated the unbiased presentation by Mr. Ken Weinberg of the Delta Stewardship Council, titled Achieving the Co-Equal Goals – Why Fixing the Bay-Delta is a Statewide Issue. Director Verbeke provided a report regarding activities at the Water Conservation Garden with high attendance numbers and stated November 4, 2017 is the autumn festival and plant sale followed by the Garden light up on December 6, 2017 with volunteers from Helix Helps participating.

President Scalzitti and Vice President Hedberg provided oral reports regarding the San Diego County Water Authority Board of Directors special board meeting on October 12, 2017. Vice President Hedberg reported representing the board's concerns during the special meeting. President Scalzitti asked the board to sign a letter written in support of President Scalzitti serving on a workgroup with members of San Diego County Water Authority and Metropolitan Water District of Southern California. The letter was signed and addressed to SDCWA Chair Mark Muir. President Scalzitti expressed a desire to mend broken relationships between the two agencies and focus on providing affordable and reliable drinking water to customers.

Chair Mark Gracyk reported the Engineering and Operations Committee met on October 11, 2017 and reviewed the capital improvement spreadsheet, received presentations regarding contract administration, the fleet and requested the administration office landscape plan be reviewed at a future Committee of the Board meeting. Chair Gracyk also reported receiving information regarding collections through an outside firm charging 25 percent.

15. General Manager Carlos V. Lugo detailed upcoming agenda items for the meetings scheduled on October 25, November 1, November 8 and November 15, 2017. Mr. Lugo also reported attending the San Diego County Water Authority General Managers' meeting and detailed the board officers' outreach efforts, water quality issues, long-term water use efficiency, the North County Reuse project, the MWD water quality update, the regulatory update and the Sacramento update. PowerPoint presentations were provided to the board via email and Mr. Lugo stated he was available to answer any questions. The SDCWA member agency general managers are evaluating the legality of signing a confidentiality agreement allowing them to be briefed on some of the closed session items that have been discussed at the SDCWA over the past few years. Mr. Lugo also reminded the board to complete the customer survey and to provide any comments to staff on or before Monday.
16. General Counsel Elizabeth W. Hull had nothing further to report.

ADJOURNMENT

17. President Scalzitti adjourned the meeting at 7:37 p.m.



Joel A. Scalzitti, President

ATTEST:



Sandra L. Janzen, Board Secretary